



RESOLUTION

URGING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES TO PRESERVE THE CURRENT TAX-EXEMPT STATUS OF MUNICIPAL BONDS.

WHEREAS, the issuance of tax-exempt municipal bonds is the primary method by which state and local governments finance the nation's critical infrastructure, including roads, bridges, hospitals, schools, and utility systems; and

WHEREAS, state and local governments have historically saved up to 2 percentage points on their borrowing through the use of tax-exempt municipal bonds; and

WHEREAS, these savings in debt service allow state and local governments to invest more funds toward critical infrastructure and essential services while minimizing the costs passed on to taxpayers; and

WHEREAS, several proposals are being discussed in the ongoing Federal budget negotiations that would either reduce or eliminate the current tax exemption of the interest earned from tax-exempt municipal bonds; and

WHEREAS, the National Association of Counties, the League of Cities, and the United States Conference of Mayors, with assistance from the Government Finance Officers Association, issued a joint report entitled "Protecting Bonds to Save Infrastructure Jobs 2013" ("Report") to determine the impacts of the proposals to limit or fully eliminate the tax exemption on interest from municipal bonds; and

WHEREAS, the Report shows that if the proposal to establish a 28 per cent cap on many itemized deductions, including tax-exempt interest earned on municipal bonds, was in effect over the last decade, it would have cost state and local governments and their taxpayers an additional \$173 billion in interest expense for that same period; and

WHEREAS, the Report further shows that if the tax exemption had been fully eliminated, it would have cost state and local governments and their taxpayers an additional \$495 billion in interest expense over the last decade; and

WHEREAS, the Federal government should not impair, through a reduction or elimination of the tax exemption provided to municipal bonds, the ability of state and local governments to economically finance the provision of infrastructure to their citizens; now, therefore,



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 13-184

RESOLUTION

BE IT RESOLVED by the Council of the City and County of Honolulu that it urges the President and the Congress of the United States to preserve the current tax-exempt status of municipal bonds and reject any proposal that would reduce or eliminate the Federal tax exemption on interest earned from municipal bonds; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the President of the United States; the Majority Leader of the United States Senate; the Speaker of the United States House of Representatives; the members of Hawaii's delegation to the Congress of the United States; the Mayors of the City and County of Honolulu, Hawaii County, Kauai County and Maui County; and the Council Chairs of Hawaii County, Kauai County, and Maui County.

INTRODUCED BY:

DATE OF INTRODUCTION:

AUG 08 2013

Honolulu, Hawaii

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
C E R T I F I C A T E

RESOLUTION 13-184

Introduced: 08/08/13 By: JOEY MANAHAN

Committee: BUDGET

Title: RESOLUTION URGING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES TO PRESERVE
THE CURRENT TAX-EXEMPT STATUS OF MUNICIPAL BONDS.

VERSIONS:	COMMITTEE REPORTS:	MEETINGS: MINUTES & VIDEOS	COMMUNICATIONS/ TESTIMONIES (If Any):
RES13-184	CR-253	VIDEOS – Click Here	Click Here

Voting Legend: Y* = Aye w/Reservations

08/21/13 BUDGET CR-253 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.

09/11/13 COUNCIL CR-253 AND RESOLUTION 13-184 WERE ADOPTED.

9 AYES: ANDERSON, CHANG, FUKUNAGA, HARIMOTO, KOBAYASHI,
MANAHAN, MARTIN, MENOR, PINE.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.


BERNICE K. N. MAU, CITY CLERK


ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER